

CITY OF INGLESIDE DEVELOPMENT CORPORATION (4B)
BOARD OF DIRECTORS
MINUTES
REGULAR QUARTERLY MEETING
APRIL 24, 2013

1. Call To Order.

The meeting was called to order at 6:01 p.m. with Teresa Flores, President presiding. Directors present: Teresa Flores, Cynthia Wilson, Ben Tucker, Paul Pierce, Dennis Roberts, Gene Seagert, and Buz Sawyer. City of Ingleside staff present: City Manager Jim Gray, Asst. City Manager/Finance Director Paul Baen, and Administrative Assistant Ruby Nixon. There was one guest.

2. Comments from the Public.

There were no comments from the public.

3. Review and approval of meeting minutes of January 30, 2013.

One correction noted for the request to correct the spelling of Buz Sawyer's last name. Director Pierce made a motion for the minutes of January 30, 2013 to be approved with correction which was seconded by Director Tucker. The minutes were unanimously approved by all Directors excluding Director Roberts who abstained for absenteeism.

4. Executive Director's Report

a. Financial Reports QE March 31, 2013.

Assistant City Manager Paul Baen discussed the Financial Reports for the quarter ending March 31, 2013.

Starting with the Balance Sheet this shows cash in bank starting at \$390,000 and ending at \$410,000. This is about 3 months of sales tax received. The ending fund balance of \$435,000 is inclusive of about \$24,000 estimated sales taxes receivable from the Texas Comptroller's Office with about a two month lag time.

The Income Statement summary shows year-to-date collections at \$75,000 which is 57% of the \$130,000 budgeted for the year. After expenditures, the net revenues are \$17,000 for the year.

b. Update and discussion regarding purchase of NSI, IISD, UH properties and Wright Street Apartments.

City Manager Jim Gray mentioned Oxy is moving towards lay birthing of ships. Oxy is also moving forward with other projects and the next phase will be Liquefied Propane Gas (LPG)... Another phase will be condensate and crude oil. He expects to see building permits in the next 30 – 60 days.

The Wright Street Apartments 380 Agreement has been completed and expected to break ground in June 2013. This will be a 200 unit complex to be occupied by the end of 2014. The parameters of the 380 Agreement for economic incentives shall be for a period not to exceed six (6) years commencing with the ad valorem taxes for the 2013 tax year:

Year 1 (2013)	100%	Discount
Year 2 (2014)	100%	Discount
Year 3 (2015)	75%	Discount
Year 4 (2016)	50%	Discount
Year 5 (2017)	25%	Discount

The Ingleside Independent School District (IISD) farm land property under contract located near the rail road track continues to be delayed. Expected closing moved to April 30, 2013.

The University of Houston (U of H) property for sale is expected to close in the next 45 days. The intent is to pipe in Eagle Ford Shale oil and barge out from the Arco building. The potential property owner is expected to contact the City in the next 60 days with building plans.

Director Pierce inquired about the sale of the IISD farmland and the buyer's intention to the ultimate use of the property. CM Jim Gray mentioned that the land is approximately \$10,000 for an acre or \$1.5 million for the 150 acres. The buyer is interested in the rail and wants to build a spur around the property. This activity is driven by Eagle Ford Shale. The purchasers want to move in the direction that Oxy is headed. This could impact the tax rolls; however, the down side is that there will be limited jobs. This will be a major infrastructure project in our city... Director Pierce inquired if a 380 agreement has been requested. CM Jim Gray stated not at this time.

CM Jim Gray stated that there will be an increase in requests for 380 agreements in the next couple of years.

The University of Houston sale of the Arco building is for \$5 million (unconfirmed) and is in our city limits.

President Flores inquired about the training facility. CM Jim Gray stated that there are still 20 students with three / four more years under contract.

Director Pierce stated that with \$5 million for Arco, \$1.5 million for farmland, and the \$117,000 for the Brownfield land we can assume to collect \$110,000 at 100%. Director Pierce inquired as to how much the current tax roll was. ACM Paul Baen replied that the 2012 Taxable Values were at \$380 million plus \$170 million in exempt property with \$100 million of that being Oxy. Total taxable value went from 380 to 480 plus valuation changes the appraisal district implements. Director Pierce comments that the tax roll will be close to \$500 million with these new recent purchases.

Director Tucker inquired as to how much the valuation could be predicted to increase in the next three to five years. CM Jim Gray stated that this is undeterminable at this time, but that it could be \$3 to \$5 billion. This will depend on Pangea actually coming to Ingleside. Pangea is contingent on export permits.

Director Tucker inquired into the effects of Ingleside on the Bay getting their own water. CM Jim Gray stated that we can lose \$100,000 a year. This is expected to be offset by the new apartment complex and overall growth in the community.

Director Wilson inquired if there were any new restaurants coming to town other than the Chinese and Mexican restaurants.

5. Consideration and action to reimburse \$200,000 to the City of Ingleside for the \$3,210,000 EDA Water Storage Project.

The city is requesting assistance form IDC (4B) for funding \$200,000 towards the \$600,000 shortage for the EDA Water Storage Project. It was noted and discussed that this is an eligible 4B funds project but may require a vote by the citizens. The advantages and disadvantages in using 4B funds for future projects were also discussed including when to take this type of decision to the voters or public hearing and the associated election cost. A question was asked whether a different amount could be reimbursed instead of what was requested and if reimbursement was declined would this slow down the project. Mr. Tom Grabowski questioned the reimbursement price and if it can be amended once approved and inquired into election costs.

Director Roberts made a motion for the EDA reimbursement to be postponed for consideration for the next quarterly meeting in July and President Flores seconded. The motion was unanimously approved by all Directors.

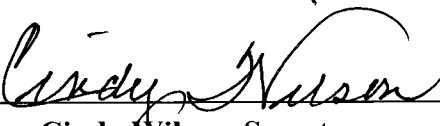
6. Recommendations as to items to be placed on the next agenda.

Revisit the request to reimburse \$200,000 to the City of Ingleside for the EDA Water Storage Project.

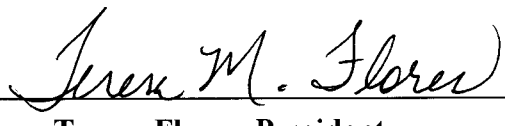
7. Adjourn

There being no further business, the meeting was adjourned at 6:53 p.m.

ATTEST:


Cindy Wilson, Secretary

APPROVED:


Teresa Flores, President